

**MINUTES OF THE COMMITTEE ON COMPENSATION MEETING**

October 31, 1990

A duly called meeting of the Committee on Compensation of the Brigham Surgical Group Foundation, Inc. was held on Wednesday, October 31, 1990 at 12:00 p.m. in the Bay Tower Room Conference Center, 60 State Street, Boston, Massachusetts. The meeting was called to order at 12:30 p.m. by John A. Mannick, M.D., President. In attendance were Director Thomas M. Claflin, II; Director John J. Cogan, Jr.; Director Neil W. Wallace; Director Elof Eriksson, M.D.; Secretary Lawrence H. Cohn, M.D.; Treasurer Marshall Strome, M.D.; Assistant Secretary Douglas F. MacGregor; Recording Secretary Daria J. Christensen; Mark O. Dietrich, CPA of Dietrich & Company, P.C.; Louis H. Hamel, Esq. and Thomas J. McCord, Esq. of Hale and Dorr.

The minutes of the last Committee on Compensation Meeting held on October 12, 1989 were approved as distributed.

Dr. Mannick called for a resolution of the Committee to approve a change in the Compensation Policy from the current limit of unfunded deferred compensation (UDC) benefits to those members at or above the rank of Associate Professor to its original policy of equal UDC benefits to all academic ranks. Dr. Mannick stated that the elimination of benefits for certain non-tenured positions was inhibiting the Group's recruitment of the better individuals nationwide for those positions. It was then voted unanimously by the Committee as follows:

**VOTED:** That the Committee on Compensation approve the change in the Compensation Policy regarding Unfunded Deferred Compensation (UDC). The Group's unfunded deferred compensation benefits are available to all academic ranks.

Mr. MacGregor called for a resolution of the Committee approving the addition of the Scudder Capital Growth Fund and Fidelity Magellan Fund as options for all active deferred income investment programs. It was then voted as follows:

**VOTED:** That the Committee on Compensation approve the additional deferred income investment options of Scudder Capital Growth Fund and Fidelity Magellan Fund to all active programs.

The Faculty Educational Benefits Plan Summary for Plan Years 1988-90 were reviewed. It was noted that this benefit is especially well-appreciated by members and is an excellent recruitment incentive for potential members with children. It was voted unanimously as follows:

**VOTED:** To approve the report of the Faculty Educational Benefits Plan Summary for Plan Years 1988-90.

Mr. MacGregor discussed the figures presented in Schedule A, FY90 BSG/AAMC Salary Comparison; Schedule B, FY90 Total Cash and Deferred Income; Schedule C, Total Cash, Deferred and Fringes and Schedule D, Summary of FY90 Incentive Compensation. These schedules reflected all compensation, direct and indirect, from any professional source as well as fringe benefits and financial incentives for the faculty of the Foundation.

There was a lengthy discussion by the outside Directors on the topic of salaries and the compensation package as a whole. Factors considered included reasonableness; the compensation limits prescribed in the System of Titles, Appointments and Compensation. Arrangements for the Faculty of the School of Medicine of Harvard University; and the compensation levels reported by the Association of American Medical Colleges (AAMC) in their annual report on medical school faculty salaries for 1989-90. It was then noted that the unfunded deferred compensation (UDC) was an essential part of the compensation package to ensure that, academically and clinically, the productivity of the Group members was the best in the nation. In particular, the need of the Group to target average compensation levels at the upper end of the national average was deemed necessary in light of the Group's goal of attracting and retaining the best members in the nation and due to the Boston area cost of living.

Dr. Mannick reported that once again the Department of Surgery at the Brigham & Women's Hospital had the most papers (16 ) presented at the American College of Surgeons meeting this year.

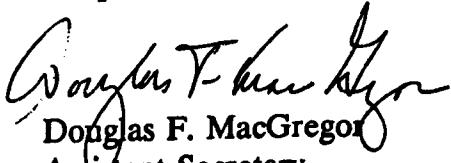
It was also noted that the Harvard Ceilings are not that high especially considering the limits on reimbursement for clinical services in the State of Massachusetts.

It was then voted by Committee Members Claflin, Cogan, Mannick and Wallace as follows:

**VOTED:** To approve the level of faculty compensation for the members of the Brigham Surgical Group Foundation, Inc. for the academic years 1989-90 as presented at the annual compensation review held on October 31, 1990 at the Bay Tower Conference Center, 60 State Street, Boston, MA 02109.

There being no further business before the Committee, the meeting was adjourned at 1:45 p.m.

Respectfully submitted,

  
Douglas F. MacGregor  
Assistant Secretary